

The background is a light blue gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance.

# TOWNSHIP OF CLEARVIEW

DRAFT RATE DEVELOPMENT/FINANCIAL PLAN

PROPOSED RATES/FINANCIAL PLAN

NOVEMBER 4, 2024

# MOE REGULATIONS

- MOE IMPLEMENTED A LICENSING SYSTEM
  - CLEARVIEW LICENCE RENEWAL IN LATE 2024/EARLY 2025
- ELEMENTS TO OBTAIN A LICENSE:
  - A PERMIT TO TAKE WATER
  - A DRINKING WATER WORKS PERMIT
  - AN OPERATIONAL PLAN, AND
  - AN ACCREDITED OPERATING AUTHORITY
- **A FINANCIAL PLAN**

# FINANCIAL PLAN

- RATE STUDY DATA IS THE FOUNDATION OF A FINANCIAL PLAN

# RATE SETTING PROCESS

Operating – Inflation

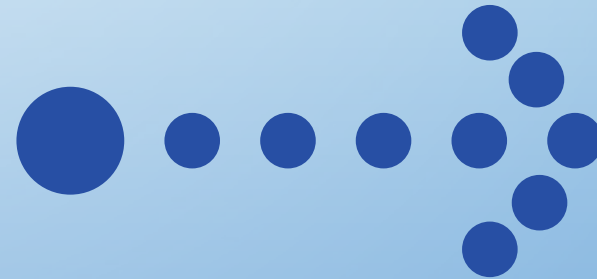
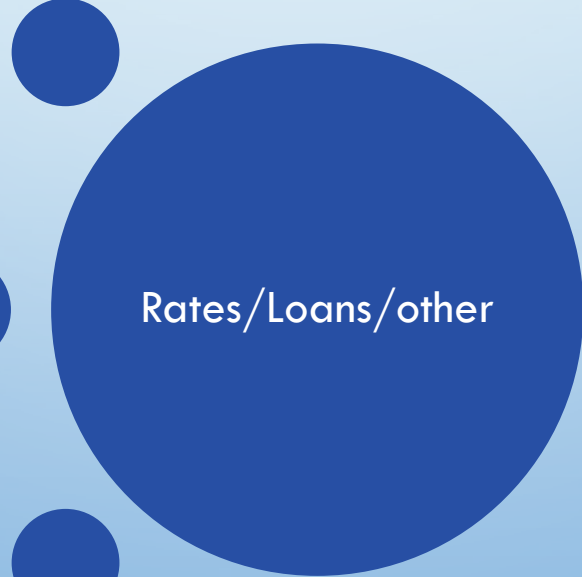


Capital –  
Renew/Growth



Options

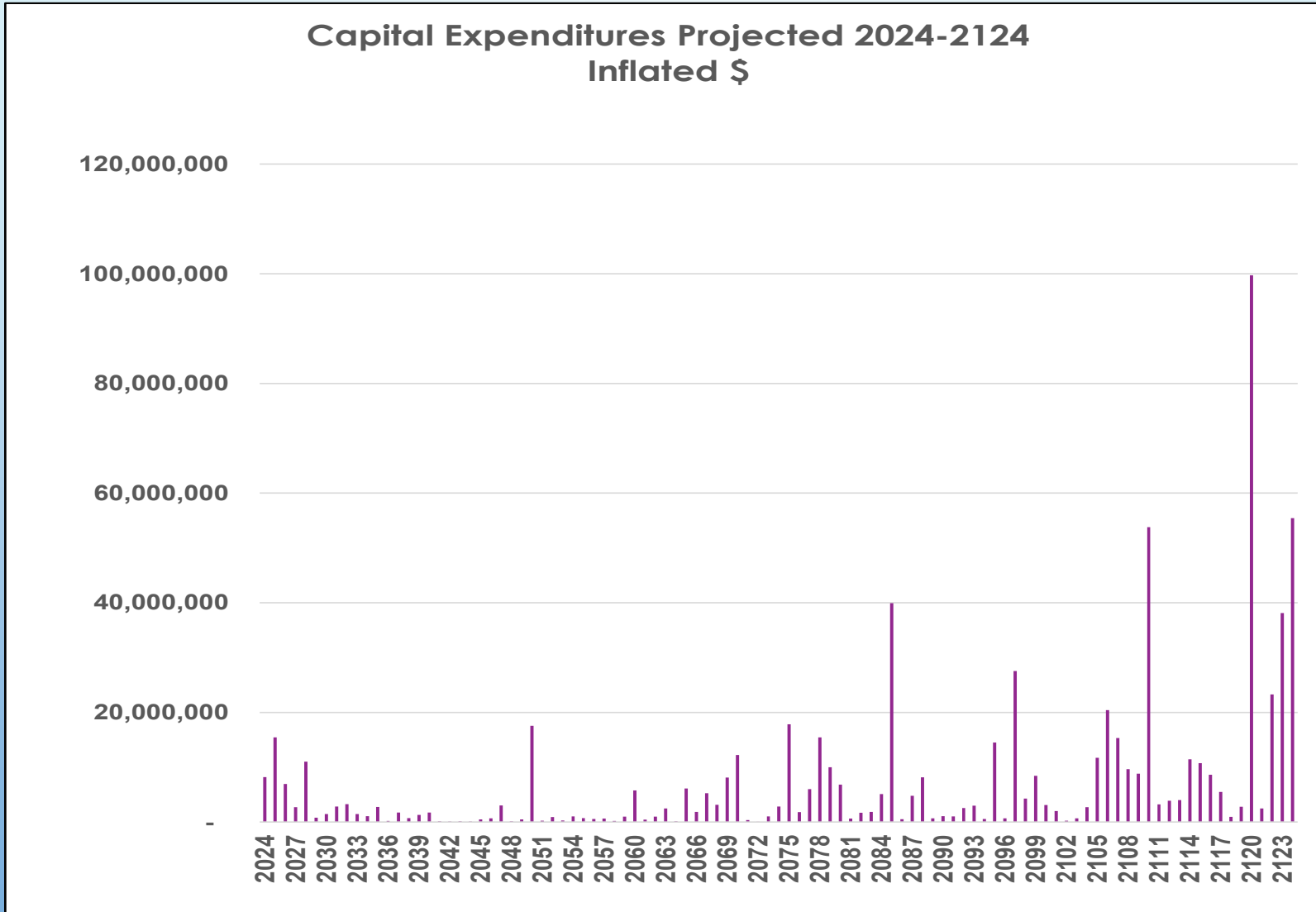
Water Use/# of Users



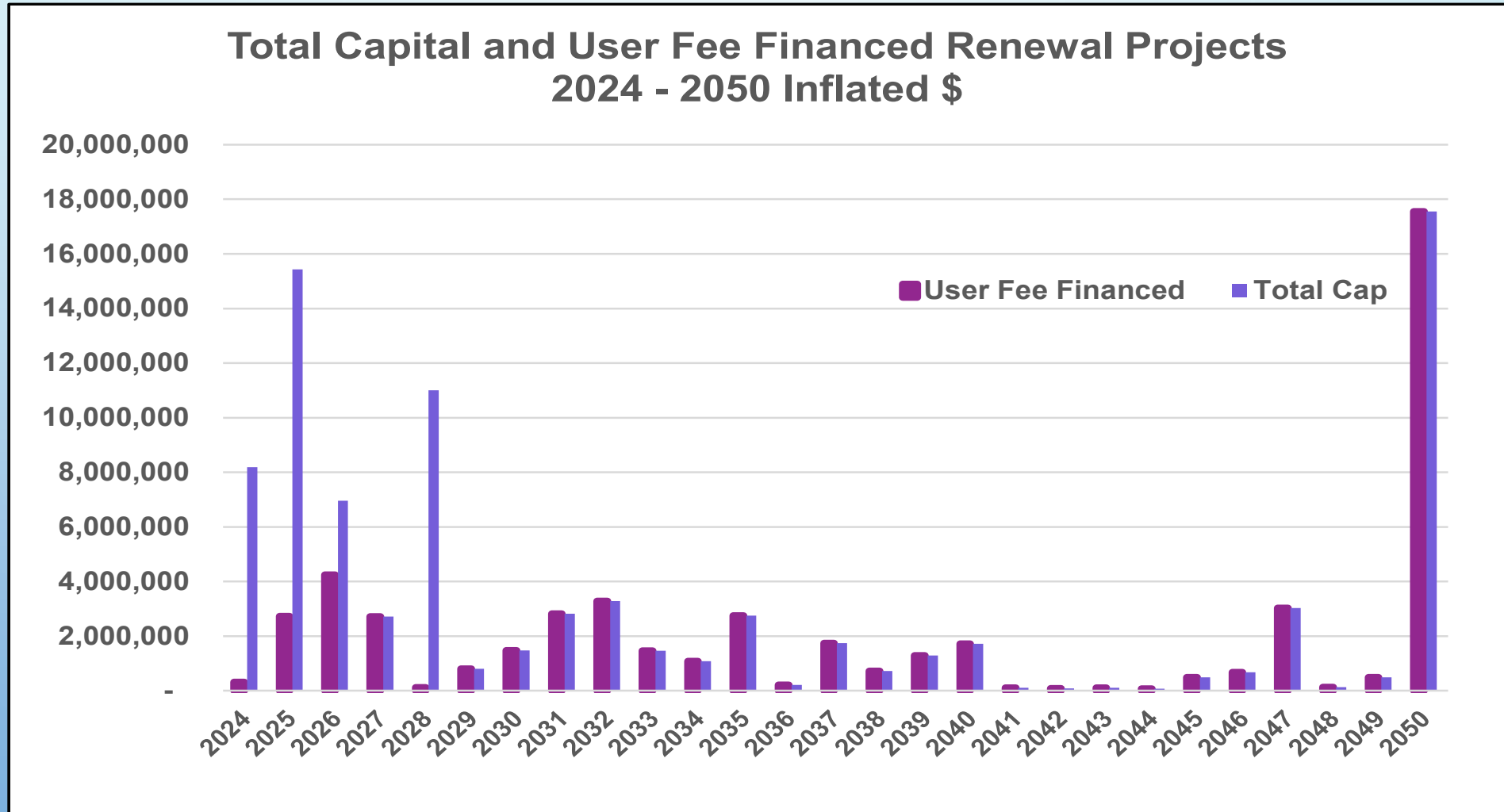
# METHODOLOGY

- CAPITAL FORECAST
  - REPLACE ALL ASSETS TO 2124 WITH 3% INFLATION
- OPERATING COSTS
  - INFLATE EVERYTHING 3-4.8% AS PER CONSTR. PRICE INDEX
- FUTURE WATER SALES
- NUMBER OF USERS
- CONSIDER DC, LOCAL IMPROVEMENTS, DEVELOPER PAYMENTS, LOANS AND OTHER REVENUES

# WATER FUTURE CAPITAL PROJECTION

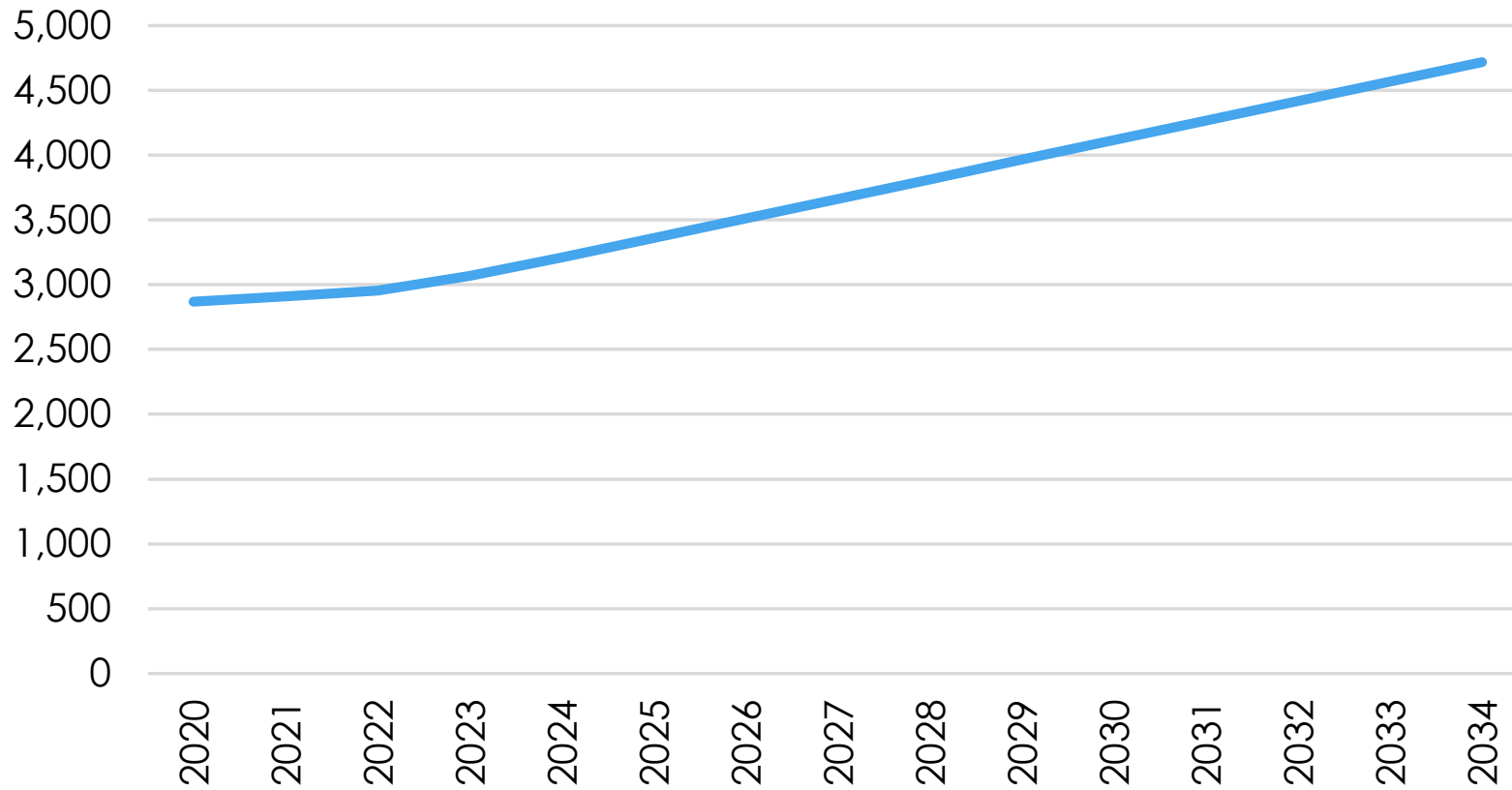


# FUNDING FOR WATER CAPITAL INVESTMENT

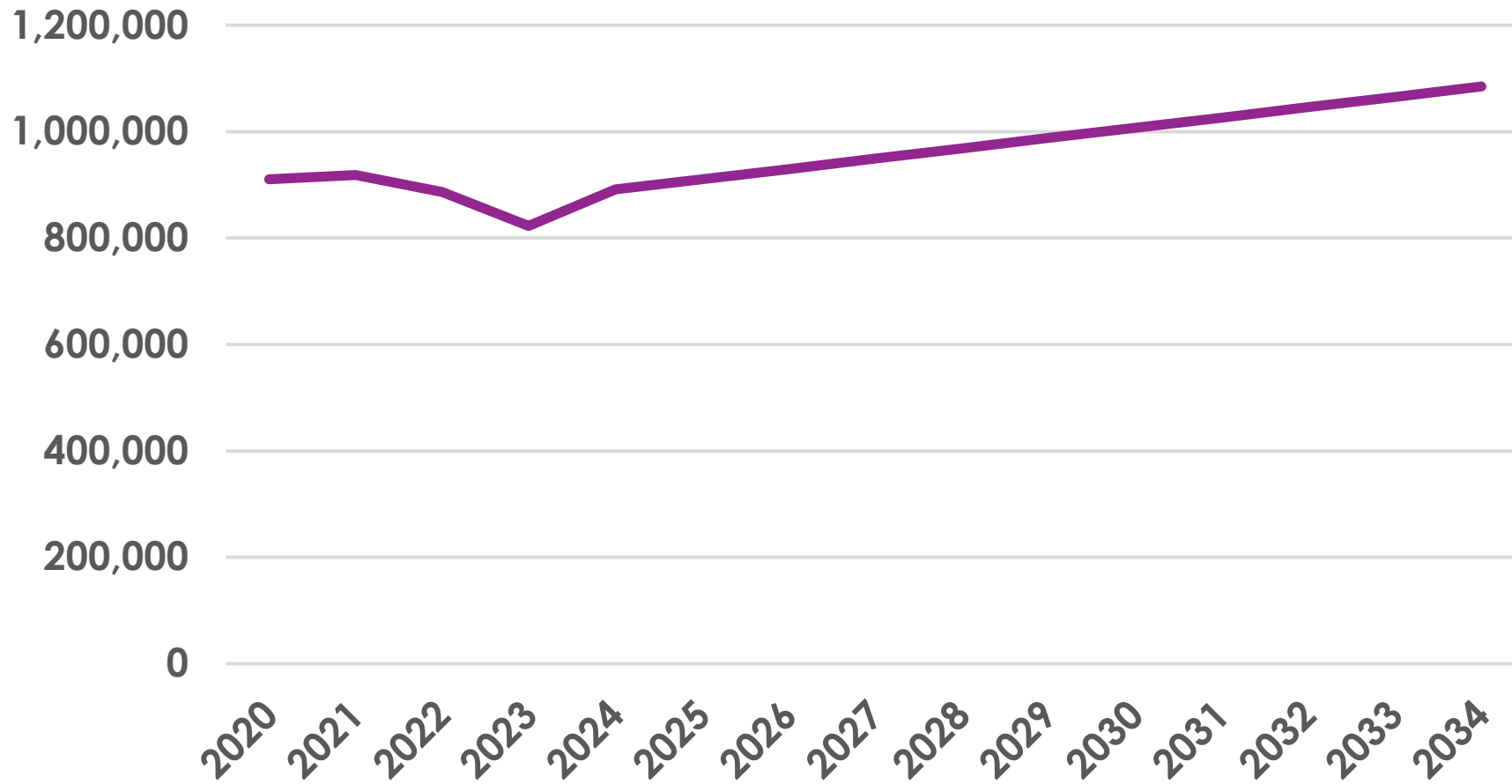


# Number of Users

## 2020 to 2034



## Clearview Water Sold (M3)



# PROPOSED TWO-PART RATES - INFL. \$

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
Fixed Portion per Year	177	186	196	207	219	230	240	248	257	264	273
Variable Portion per M3	2.81	2.93	3.05	3.10	3.15	3.21	3.28	3.35	3.43	3.52	3.61

# ANNUAL WATER BILL FOR VARIOUS USERS

<b>Hypothetical User</b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>
Single Person with 70 M3	374	391	409	424	440	454	469	483	497	511	526
Couple with 125 M3 per Y	528	553	577	595	613	631	649	667	686	704	725
Family 300 M3 per Year	1,020	1,065	1,111	1,137	1,164	1,192	1,222	1,253	1,286	1,321	1,357
User with 231431 M3/Yea	650,498	678,352	706,296	717,546	729,122	742,923	758,178	776,003	794,475	815,769	836,782

# WATER BILL COMPARISONS 2024

<u>Utility</u>	<u>Water Bill</u>
Collingwood	\$442
Barrie	\$434
Penetanguishene	\$446
Springwater Residential	\$618
Clearview	\$739
Springwater Commercial	\$916
Kawartha Lakes	\$1,006
Adjala-Tosorontio	\$1,037

Based on family usage of 200 M3 per Year

# FINANCIAL PLAN REGULATION

- REGULATION 453/07
  - PREPARE A FINANCIAL PLAN BEFORE LICENSING
  - COVER 6 YEAR PERIOD MINIMUM
  - COMPULSORY FOR WATER SYSTEMS
  - HAS MANDATORY COMPONENTS
    - SIX YEARS IN LENGTH
    - AVAILABLE TO THE PUBLIC FREE OF CHARGE
    - PLACED ON THE INTERNET
    - ADVERTISE REPORT AVAILABILITY
    - APPROVED BY COUNCIL – COPY TO MMAH
    - REPEAT STUDY BEFORE NEXT LICENSE RENEWAL

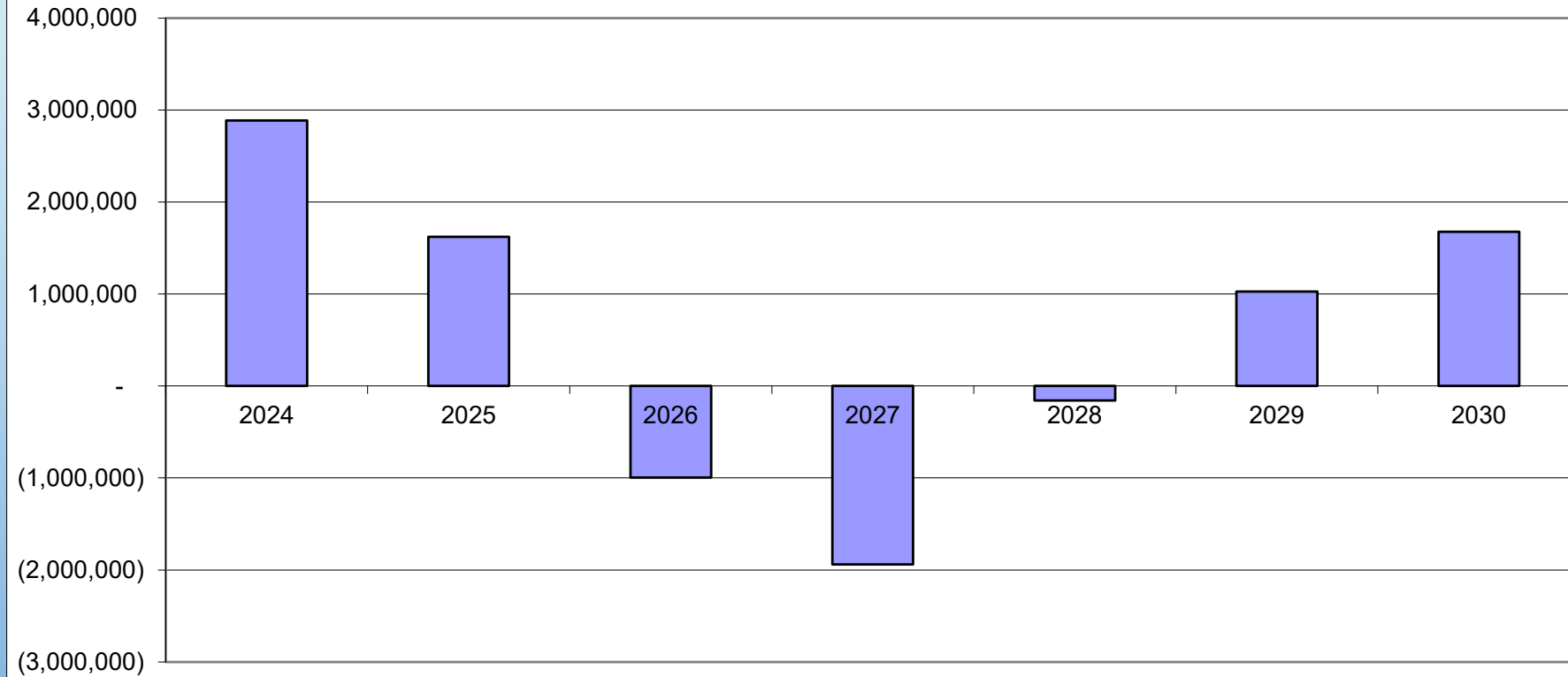
# OTHER FEATURES OF FINANCIAL PLAN

- 2006 CLEAN WATER ACT
  - FINANCIAL PLANS TO INCLUDE SOURCE PROTECTION COSTS
    - INCLUDED IN REPORT – WORK DONE IN PAST –FUTURE FUNDED BY DEVELOPERS
- 2007
  - FINANCIAL PLANS TO INCLUDE LEAD SERVICE REPL.
    - COVERED IN REPORT – NO LEAD IN SYSTEM - PERIODIC TESTING

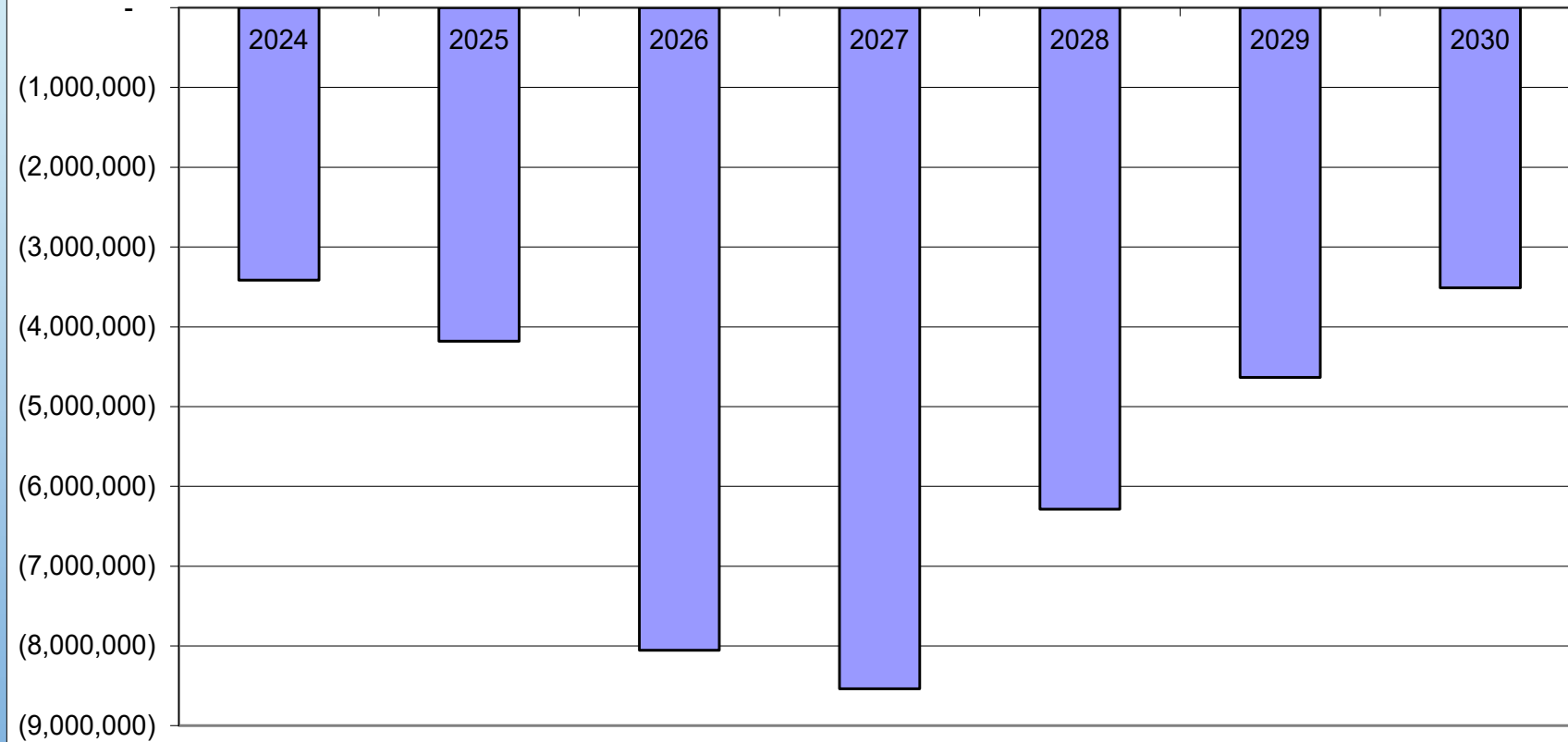
# INCLUDES KEY CONCEPT OF AMORTIZATION

- ACCOUNTING APPROACH
  - ASSETS DECLINE IN VALUE AFTER INSTALLATION
  - DIVIDE ORIGINAL COST BY EXPECTED LIFE
  - SUBTRACT THE ANNUAL AMORTIZATION FROM ORIGINAL COST
    - NET BOOK VALUE
    - NET BOOK VALUE 0 IN FINAL YEAR OF LIFE
  - PROJECT NET BOOK VALUE NOW AND IN FUTURE
- ENGINEERING APPROACH
  - SOME ASSETS LAST LONGER THAN EXPECTED LIFE – SOME SHORTER
  - ACTUALLY EXAMINE THE ASSETS AND DECIDE WHEN REPLACEMENT NEEDED

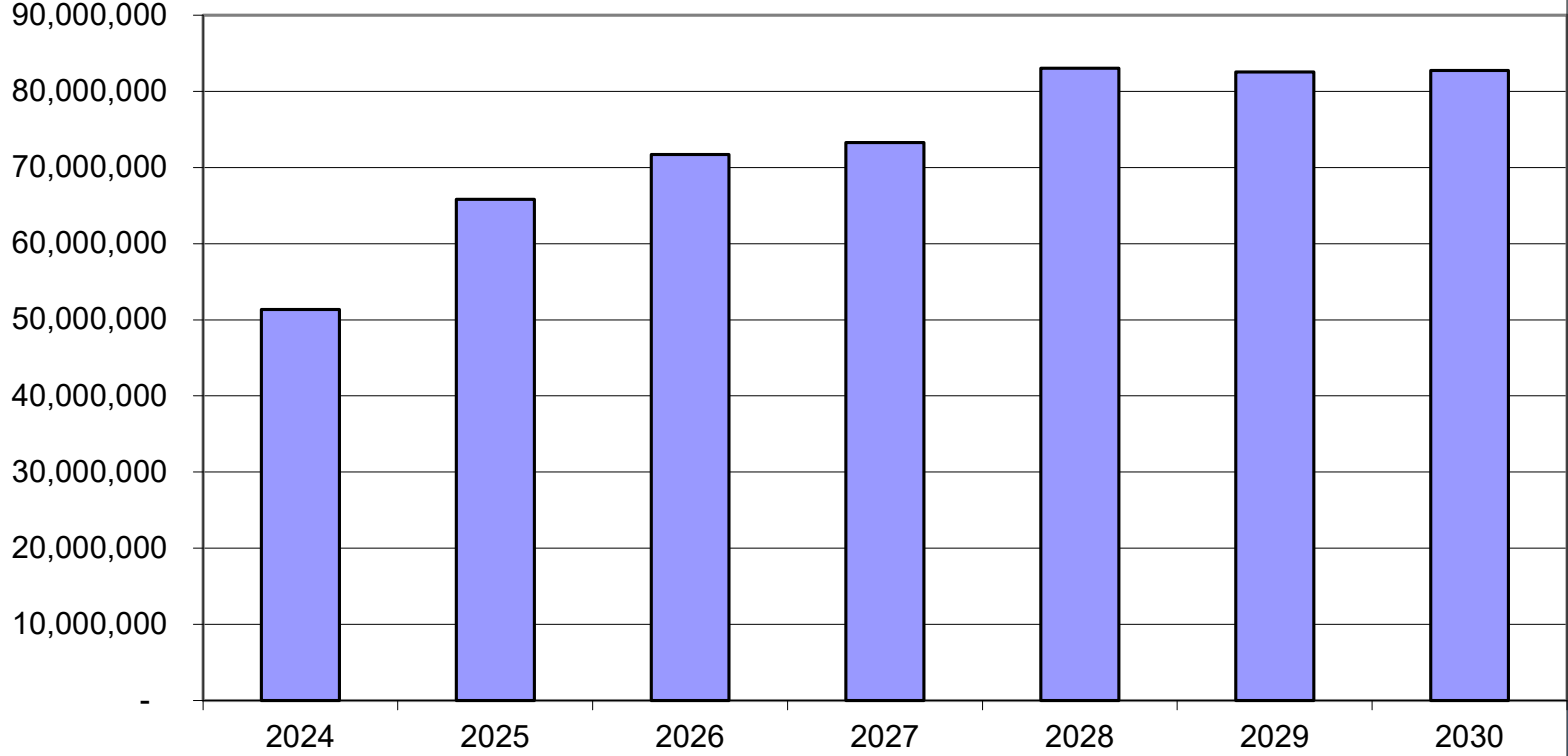
**Figure 5.1A Clearview Water Net Financial Assets**  
Cash less Debt for Water User Pay Costs Only



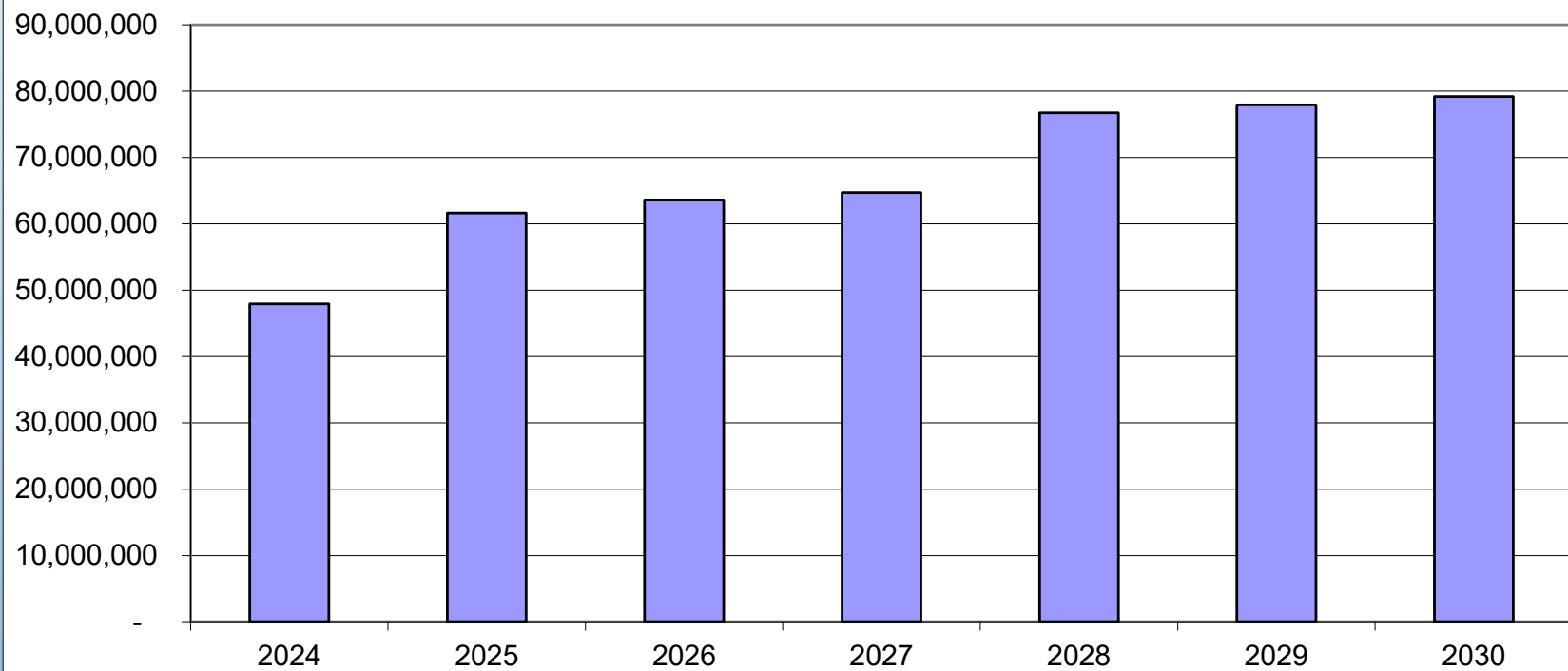
**Figure 5.1B Clearview Water Net Financial Assets**  
Cash less Debt for Water User Pay, Exist DC and Local Impr Debt



**Figure 5.2 Clearview Tangible Capital Assets**  
**Original Cost less Amortization (Net Book Value)**

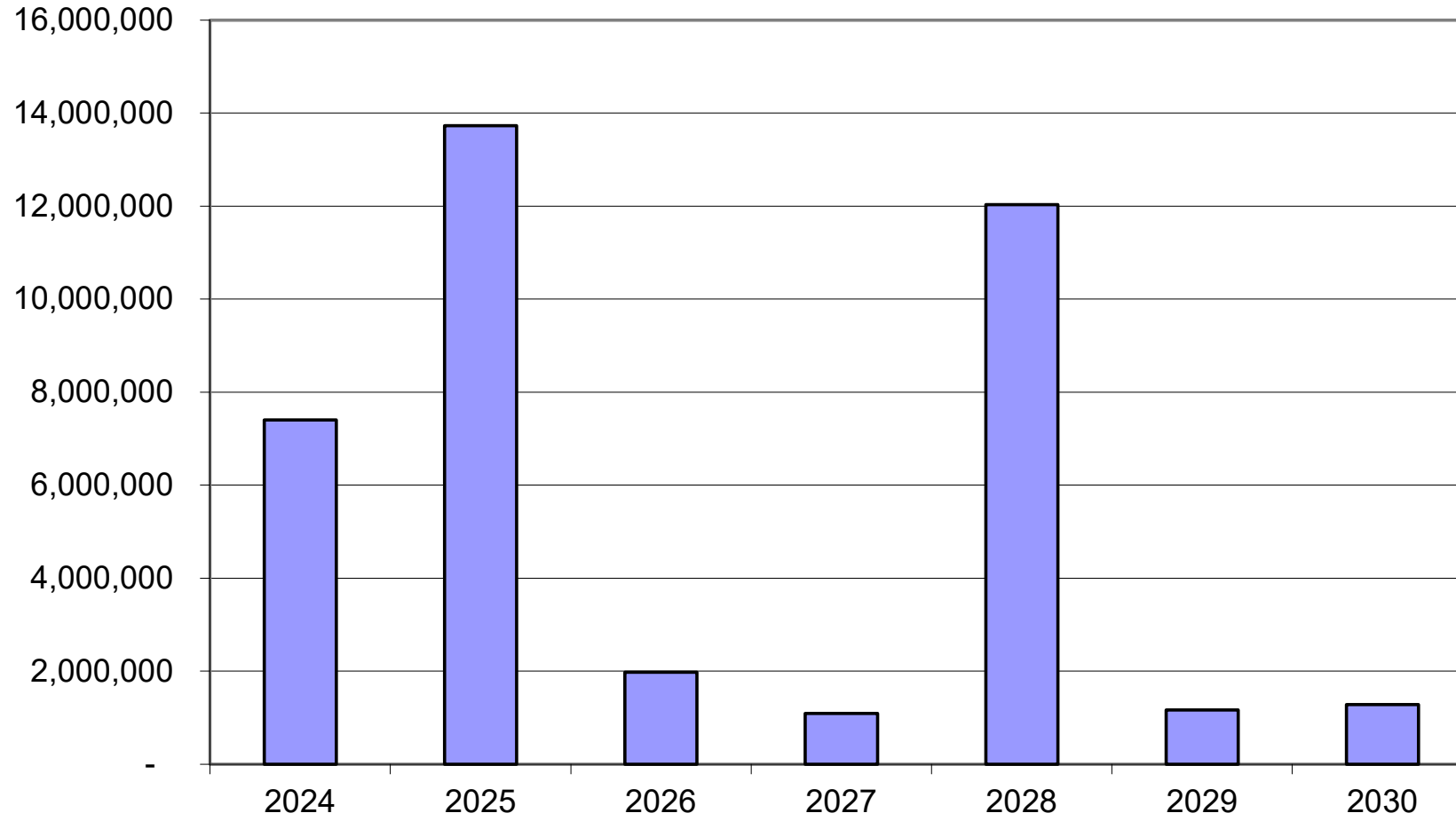


**Figure 5.3 Clearview Water Accumulated Surplus**  
Cash plus Asset Value less All Current Loan Debt

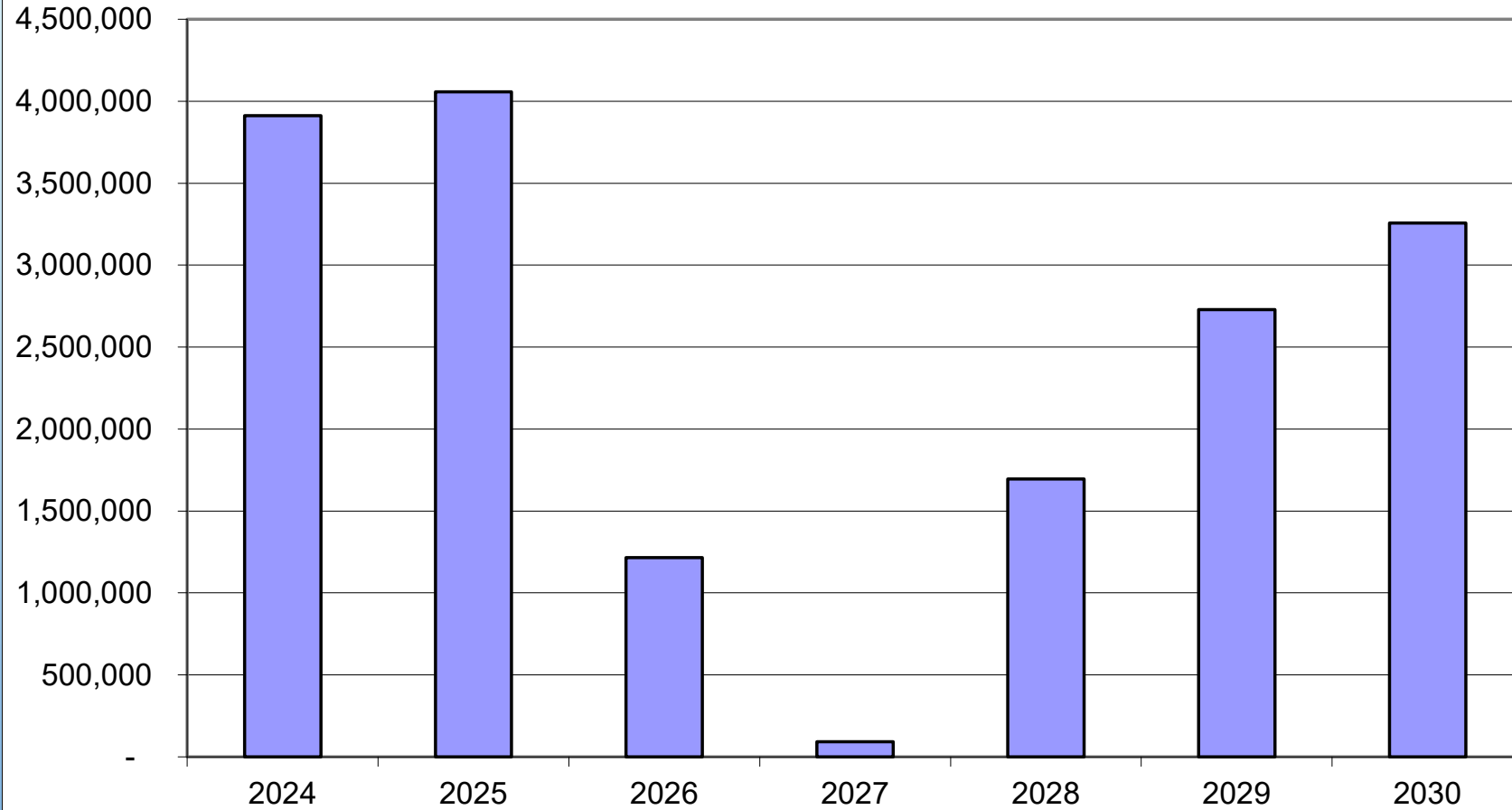


## Figure 5.4 Clearview Water Excess of Revenues over Expenses

Revenues less Expenses Including Amortization

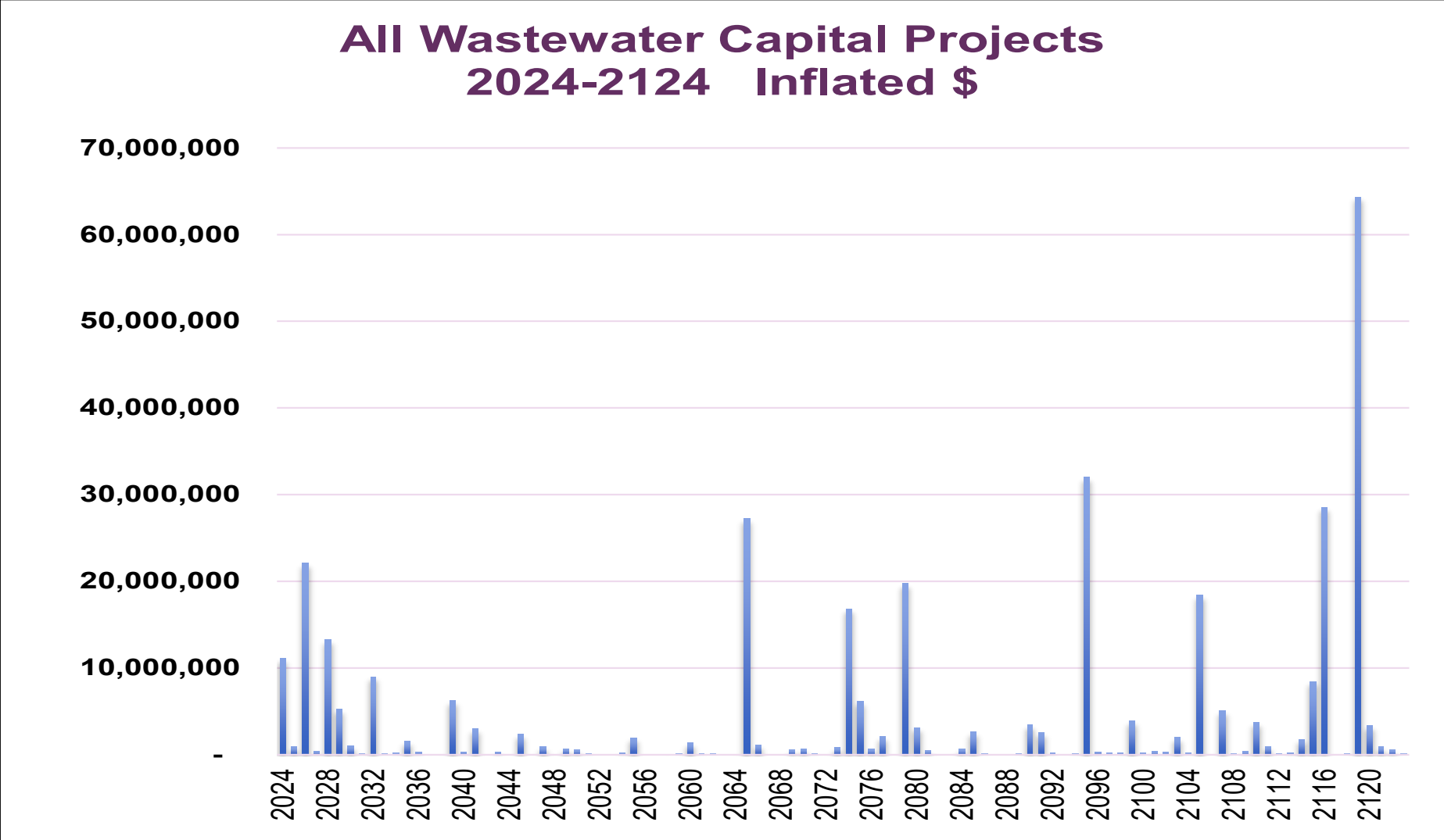


**Figure 5.5 Clearview Cash and Cash Equivalents at Year End  
Excess Revenue over Expenditures including Loan Repayment Costs  
(Excl. Amortization)**

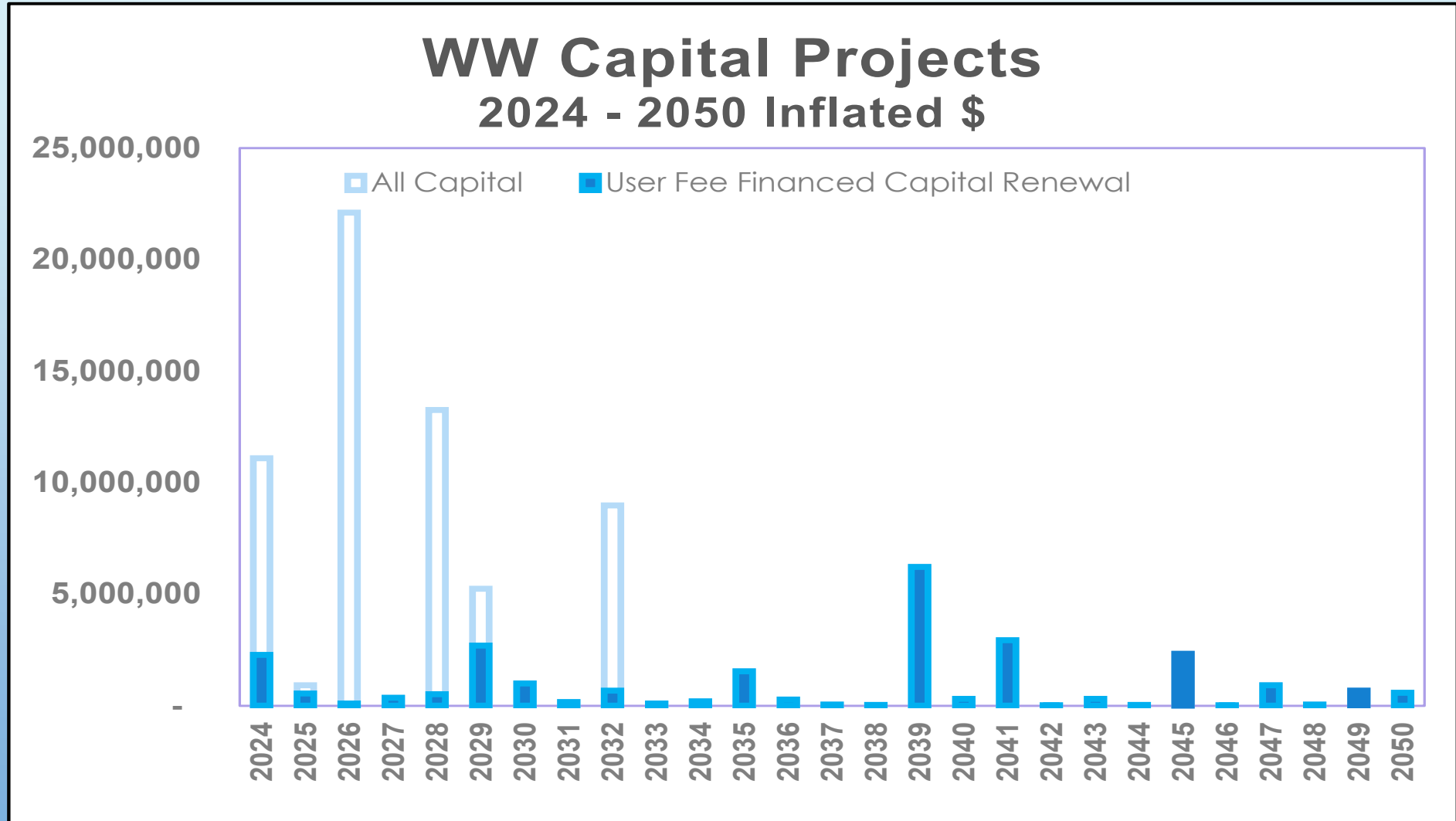


# WASTEWATER CAPITAL

**All Wastewater Capital Projects  
2024-2124 Inflated \$**



# FUNDING FOR CAPITAL





# WASTEWATER BILLS

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
Single Person with 70 M3	322	353	386	428	475	531	548	565	581	597	615
Couple with 125 M3 per Y	455	498	545	600	662	738	759	780	802	824	848
Family 300 M3 per Year	879	960	1,049	1,147	1,257	1,395	1,430	1,467	1,505	1,546	1,588
User with 36,500 M3/Year	88,564	96,589	105,305	114,332	124,409	137,315	140,139	143,437	146,854	150,791	154,677

# WASTEWATER BILL COMPARISONS 2024

<u>Utility</u>	<u>Wastewater Bill</u>
Clearview 2024	\$584
Barrie	\$620
Collingwood	\$648
Clearview 2025	\$696
Kawartha Lakes	\$753
Penetanguishene	\$885
Springwater Residential	\$1,099
Springwater Commercial	\$1,226
Adjala-Tosorontio	\$1,483

Based on family water use of 200 M3 per Year

<b>Clearview Drinking Water - It's Value in 2024 and in 2029</b>			
		<b>What \$1.00 will buy</b>	
		<b>Quantity Purchased</b>	
	<b>Amount Used (litres)</b>	<b>2024 Rate</b>	<b>2029 Rate</b>
Drink a 340 ml glass of Clearview tap water	0.3	785	672
Drink a 500 ml bottle of Clearview tap water	0.5	534	457
Buy a 500 ml bottle of water at Tim Hortons	0.5	less than half bottle	?
<b>Shower</b>			
Shower 30 minutes	270.0	1	1
Shower 10 minutes	90.0	3	3
Shower 5 minutes	45.0	6	5
<b>Dishwasher</b>			
Run dishwasher start to finish - new	25.0	11	9
Run dishwasher start to finish - older	38.0	7	6
<b>Toilet</b>			
Flush an older 15 litre toilet	15.0	18	15
Flush a 6 litre toilet	6.0	45	38
Flush a high efficiency toilet	4.5	59	51
<b>Washing Machine</b>			
Wash clothes - older top load	175.0	2	1
Wash clothes - new front load	90.0	3	3
Length of time to water lawn for \$1 - 1/2 in hose	1,097.0	15	12
Assume the cost of water if use 300 m3 per year			

# RECOMMENDATION

- THAT THE TOWNSHIP APPROVE THE PROPOSED RATES
- APPROVE THE FINANCIAL PLAN